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The translation and sedimentation of accounting reforms.

A comparison of the UK, Austrian and Italian experiences

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Abstract

Since the late 1980s, there has been a significant and progressive movement away from the traditional Public Administration (PA) systems, in favour of NPM-type accounting tools and ideas inspired by the private sector. More recently, a new focus on governance systems, under the banner Public Governance (PG), has emerged. In this paper it is argued that reforms are not isolated events, but are embedded in more global discourses of modernisation and influenced by the institutional pressures present in a certain field at certain points in time. Using extensive document analysis in three countries with different administrative regimes (the UK, Italy and Austria), we examine public sector accounting and budgeting reforms and the underlying discourses put forward in order to support the change. We investigate the extent to which the actual content of the reforms and the discourses they are embedded within are connected over time; that is, whether, and to what degree, the reform “talk” matches the “decisions”. The research shows that in both the UK and in Italy there is consistency between the debates and the decided changes, although the dominant discourse in each country differs, while in Austria changes are decided gradually, and only after they have been announced well in advance in the political debate. We find that in all three countries the new ideas and concepts layer and sediment above the existing ones, rather than replace them. Although all three countries underwent similar accounting and budgeting reforms and relied on similar institutional discourses, each made its own specific translation of the ideas and concepts and is characterized by a specific formation of sedimentations. In addition, the findings suggest that, at present in the three countries, the PG discourse is used to supplement, rather than supplant, other prevailing discourses.

Keywords: budgeting reforms, reform discourses, central government, sedimentation, translation.

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1. Introduction

Over the last decades, many Western central governments have engaged in reform processes aimed at improving public sector practices, often embracing the so-called New Public Management (NPM – see, for instance, Hood, 1995; Pollitt and Bouckaert, 2011), with a main area of change involving radical adjustments in accounting and budgeting systems. Governments claimed that better accounting, budgeting and measurement practices would provide more appropriate information for decision makers; better information would lead to superior decisions; and better decisions would lead to a more efficient and more effective public sector (Chan, 2003; Likierman, 2003). Since the late 1980s, there has been a significant and progressive movement away from the traditional Public Administration (PA) systems, in favour of NPM-type accounting tools and ideas inspired by the private sector. More recently, under the banner Public Governance (PG), a new focus on governance systems to steer public services and actors has emerged (Mayntz, 2009; Osborne, 2010; Rhodes, 1997). However, despite the tendency for homogenization and convergence of public-sector reforms across countries, changes are often argued, interpreted and carried out differently depending on the jurisdiction (Knill, 2001; Pollitt, 2001; Pollitt and Bouckaert, 2011).

A number of studies have investigated the implementation of public policies in general (Bardach, 1977; Barzelay and Jacobson, 2009; Dunleavy, 1991; Hill and Hupe, 2002; Mazmanian and Sabatier, 1989; Ongaro and Valotti, 2008; Parrado, 2008), and accounting reforms in particular (Christiaens, 1999; Christiaens and Peteghem, 2007; Connolly and Hyndman, 2006a; Pettersen, 2001). While this stream of research is particularly important, we focus here on an area which has been less investigated in accounting: the way different systems and actors differently translate accounting reforms at the national level (Czarniawska, 2011; Christensen and Lægreid, 2011). By translation we mean the transportation of meanings across cultural contexts combined with transformation, i.e., the translation often results in a change in that which is translated (Campbell, 2004; Czarniawska, 2011; Czarniawska and Joerges, 1996; Drori et al., *forthc.*; Meyer and Höllerer, 2010; Sahlin-Andersson, 1996; Sahlin and Wedlin, 2008; Strang and Soule, 1998). With respect to accounting translations, not only is it important to understand the technicalities of

what is being translated and the way it is being interpreted, but also it is also important to appreciate the way in which accounting practices are mobilised, the aspirations and ambitions attached to them and the roles that they play (Carruthers and Espeland, 1991; Kurunmäki et al., 2010). Accounting can therefore be seen as possessing both discursive and instrumental elements. As accounting instruments and related ideas travel, they come into contact with local ideas which define different and variable relationships across space, actors and aspirations. In this paper we argue that accounting reforms are not isolated events, but are embedded in more global discourses of modernisation and influenced by the institutional pressures present in a certain field at certain points in time. Local translations may change the object of translation almost beyond recognition, and the institutional features or particular contexts may be much more resistant to change than agents of change often wish (Czarniawska, 2011).

Using a comparative approach, we analyse public sector accounting and budgeting reforms and focus particularly on the arguments and underlying discourses put forward in order to support and decide upon these changes. Rather than investigate an implementation gap (which many papers do), we consider the extent to which the discourse relating to the reforms and the actual content of the reform decisions are connected over time; that is, whether, and to what degree, the reform debate matches the reform “decision” (for the distinction between the levels of talk, decision, and action see especially Brunsson, 1989; Pollitt 2001; Pollitt and Bouckaert, 2011). To explore these questions, we chose three countries with different administrative traditions, namely the United Kingdom (UK), Italy and Austria, carried out an analysis of their official debates, which took place over the past 30 years, and reconstructed the respective accounting and budgeting reform decisions on the national level. Our study provides an updated view of the position of countries from different European administrative traditions and their NPM-reform agendas. The paper also contributes to the current debate on the emergence of PG ideas as a self-standing, autonomous paradigm (Osborne, 2010). Moreover, the study also seeks to understand better the process through which the various reform discourses develop and are shaped in different contexts. Indeed, it has been suggested that new ideas and systems often layer and sediment above the existing ones, rather than replace them (Christensen and Lægreid, 2011; Liguori, 2012; Malhotra and Hinings, 2005; Olsen, 2009) and this interaction can generate further differences in the development and interpretation of discourses in different countries. Our study sheds more light on these sedimentation mechanisms.

The paper is structured as follows: section 2 reviews the literature on reform discourses and public-sector accounting; section 3 gives a brief overview of the methods; and section 4 describes the debates and the reform decisions in the three analysed countries. Finally, section 5 compares the overall results, while section 6 draws the main conclusions and suggests possible further research avenues.

2. Reform discourses and public-sector financial management

An increasing body of research has focused on the phenomenon of homogeneity and convergence of reforms (Bouckaert, 2007; Christensen and Lægreid, 2007; Gualmini, 2008; Kickert, 2008; Olsen, 2006; Pollitt, 2001; Schnapp, 2004). Such studies draw attention to a variety of contextual factors that structure the way in which countries organize their administrations and point out that very often reform initiatives have been seen as local variations of more global discourses of modernisation. In the public sector, similar reforms have taken place in many countries, but with visible local variations, making comparative case studies particularly needed (Christensen and Lægreid, 1999, 2011; Ferlie et al., 1996; Hammerschmid and Meyer, 2005). Public sector management, in particular, has tended to move from a traditional PA model, to models embracing NPM and PG ideas. For analytical purposes, these may be viewed as separate discourses. However, some common ideas and concepts (for example, the concern in relation to various types of accountability practices), while being afforded greater prominence in one model rather than another, overlap (Pollitt and Bouckaert, 2011).

NPM ideas have shaped public sector reforms in a range of countries (including the UK, Italy and Austria) over the last decades and have emphasised, in particular, the adoption of private-sector practices and behaviours. These adjustments have been viewed as ways of improving planning, controlling and efficiency, and have drawn heavily on new accounting, budgeting and performance measurement systems (Lapsley, 2008; Steccolini, 2004). The array of new managerial tools ranges from medium-term planning, performance budgeting and performance management (to focus on outputs rather than merely inputs), accrual and cost accounting (as means to steer resources and outputs), to consolidated accounting statements and sustainability reports (to increase transparency), with countries introducing such changes with different intensities and at varying paces (Hood, 1995; Lüder and Jones, 2003; Pollitt and Bouckaert, 2011; Wanna et al., 2010). Studies have often interpreted these

reforms as being exogenously driven and influenced by new regulations, with a final convergence towards a common isomorphic equilibrium (Collier, 2001; Covaleski and Dirsmith, 1988; Ezzamel et al., 2007; Nor-Aziah and Scapens, 2007). However, reforms linked to similar discourses (such as NPM) have been shown to foster different results (Etherington and Richardson, 1994; Liguori and Steccolini, 2012; Lounsbury, 2001; Ribeiro and Scapens, 2006), and similar results of change can sometimes be achieved through different kinds of processes (Liguori, 2012; Malhotra and Hinings, 2005).

Extant theory discusses how change processes can be placed along a continuum that goes from a disruptive vision to a sedimented and layered one. For example, change can follow a more or less linear trajectory, where existing practices are replaced by new ideas and structures in response to contextual circumstances and competing institutional prescriptions (Broadbent and Guthrie, 1992; Hinings and Greenwood, 1988; Romanelli and Tushman, 1994), or, alternatively, it can take place through sedimentation, reflecting a pattern of new emerging structures and ideas super-imposed (or layered) on pre-existing ones. For example, Pollitt and Bouckaert (2011, p. 8) point out that “the detail of public sector reform often turns out to be more like geological sedimentation, where new layers overlies but do not replace or completely wash away the previous layer”. Christensen and Lægreid (2011) show that the transition between NPM and post-NPM ideas reflects a sedimentation process, where frequently even old PA models are brought back to life by reform translations and every-day activities. Different translation and sedimentation processes, they argue, are in part related to different administrative systems, path dependencies and contextual forces. This is consistent with Schneiberg’s findings, according to which even the most settled systems and structures are littered with “flotsam and jetsam” (2007, p. 47), i.e. with elements of earlier alternative orders often coexisting within apparently changed systems. Established institutional paths, indeed, may already contain in themselves structural possibilities and resources for transformation. Social, culture and organizational fragments of projects and institutional paths previously not taken or abandoned are vehicles for experimentation, revival, recombination and, ultimately, transformation by organizational actors. The continued presence of these latent ideas holds options for new discourse coalitions (Meyer and Höllerer, 2010) that can challenge existing dominant arrangements, with the prevailing systems and structures being historically contingent and affected by political processes.

Echoing Schneiberg (2007), and with reference to accounting, it can also be claimed that instruments such as accrual accounting, cost accounting, budgeting and performance

measurement were all on the public sector reform agenda before the emergence of NPM (although not with the same force) and, equally, it is likely they will continue to be relevant in a post-NPM era. When accounting and budgeting reforms are decided, indeed, the way in which they are discussed, the pros and cons and the rhetoric and accounts used to promote or oppose them, are linked to the reform discourses that are historically available to the actors involved (Fischer, 2003; Hajer, 2003; Skelcher et al., 2005).

The NPM discourse has been recognised as dominating from the late 1980s to the beginning of the 2000s (Pollitt and Bouckaert, 2011). NPM is a convenient, though a rather loose, term that is shorthand for a set of broadly similar administrative doctrines that has shaped the reform agenda in the public sector in many OECD countries. NPM claims to make government more efficient and “consumer responsive” by injecting businesslike methods, and identifies a set of specific concepts and practices to facilitate this, such as: market-type mechanisms (including quasi-markets) and controls; competitive contracts; and performance indicators and targets (Pollitt and Bouckaert, 2011). This can be evidenced by, among other things, the increasing adoption of private sector managerial and accounting techniques (output-based budgeting, accruals and resource accounting, annual reports, extended performance measurement and reporting, managerial control systems, balanced scorecards, etc.), the contracting-out of public services and the break-up of large units of government into smaller quasi-autonomous units. Better management is claimed to result because of rational economic decision making. As a consequence, NPM advocates strive to transform the old bureaucrats into managers, seen as central actors in the process of change, and convert them into individuals who focus on economic rationality and efficiency, effectiveness and results (Liguori et al., 2012). Moreover, it underlines the importance to “let managers manage”, by allowing them greater autonomy from the political bodies (Kettl, 1997, p. 447). NPM has been presented as “the rise of a global social movement with considerable force” (Meyer, 1998, p. 7) and a quasi-global paradigm superseding the traditional ‘old’ PA logic (Dunleavy and Hood, 1994; Hood, 1991; Hughes, 1994). Accrual accounting, in particular, is claimed to support better-informed decisions (when compared with the traditional cash-based system) on the balance between current and capital expenditure, taking into account the opportunity cost of capital and its consumption over time (Anessi-Pessina and Steccolini, 2007; Bergmann, 2009; Chan, 2003; Likierman, 2003; Lüder and Jones, 2003). Consistently, the focus of accounting tools is expected to shift gradually from spending and incremental budgets to costs and revenues, assets and liabilities, definition of goals in terms of outputs, and

efficiency and effectiveness. However, despite the articulated benefits of these changes, an increasing body of literature has criticised their adoption by public organizations on both theoretical and practical grounds (Guthrie, 1998; Wanna et al., 2010).

Existing international comparisons of public-sector reforms indicate that there is considerable variability in the way NPM reforms have been translated and embedded in specific national settings (Hood, 1995; Kurunmäki et al., 2010; Pollitt and Bouckaert 2011), with changes being introduced at a quicker pace and more enthusiastically in some countries compared to others (Flynn and Strehl, 1996; Kickert, 2011; Ongaro, 2011 – for accounting reforms see, for example, Lüder, 1992). Hood (1995) distinguished between high, medium and low adopters of NPM-ideas, where the UK (as well as countries such as Australia, New Zealand and Canada) was viewed as a high-intensity adopter, with Italy and Austria (and countries such as the Republic of Ireland and France) viewed as medium-intensity adopters. He tentatively suggested an explanation for this related to the initial endowment, where the motive arising from the savings potentially occurring and the opportunity left by limited constitutional checks on central governments would represent the main determinants. Alternatively, Pollitt and Bouckaert (2011) more recently contend that reforms are easier to push through in centralised states, which operate a majoritarian or single party approach to government, rather than a consensual approach. Moreover, it is argued that public interest systems, where the state has a less dominant role within society and where there may be variety of sources of political advice available, will be quicker and more effective in reforming than Rechtsstaat models (Ongaro, 2011; Pollitt and Bouckaert, 2011), where the roles of rule and formality prevail. These effects will be mitigated by the cultural characteristics of the country, where a greater power distance and uncertainty avoidance, together with a shorter-term orientation, will tend to slow down changes.

PA systems, the ideas of which have dominated public service delivery regimes since the late Nineteenth century to the early 1980s, have at their heart the rule of law, where politics and administration are clearly separated and the hegemony of professionals is dominant with respect to public service delivery (Hood, 1991). In such schemes, politicians are responsible for defining general plans, whereas the administration (made up of professionals) has responsibility for executing them. Moreover, control is hierarchical and bureaucratic, exerted through rules, formal procedures and norms that legitimise and regulate administrative action. With respect to accounting, the budget plays a central role as a basis for the political negotiation and the (generally incremental) allocation of resources among

different political programmes and purposes, with the budget seen as a political act which translates political goals into appropriations of financial resources (Wildavsky, 1964). Attention is focused on the legitimacy of the budget process and, ex-post, on the comparison between actual and authorised expenditure (ter Bogt, 2003). In such a scheme, accounting is intended primarily to ensure compliance and curtail spending.

Osborne (2010) argues that NPM, rather than being the final destination of a reform process, has “been a transitory state in the evolution” (p. 1) from a regime of traditional PA to PG. He contends that both the traditional PA and the NPM models are failures unable “to capture the complex reality of the design, delivery and management of public services in the twenty-first century” (p. 5) and calls for a more sophisticated understanding of public policy adoption, implementation and public service delivery. To this aim, PG ideas have been introduced, challenging NPM models with an increased focus on integration, networks and horizontal coordination. This has been accompanied, however, by a partial rediscovery of rule and legal principles (Hill and Hupe, 2007; Hupe et al., 2000; Osborne, 2010). The concept of governance, as part of the PG model, is not an alternative to government, but represents a wider and more inclusive system of ideas, based on partnerships among government, business and citizens’ associations. The emphasis is on networks, partnerships and negotiated voluntary cooperation, rather than competition or hierarchies. The PG model moves away from the traditional hierarchical forms of organizations and hinges on more devolved and participative (task-specific) controls (Pierre and Peters, 2000; Pollitt and Bouckaert, 2011; Rhodes, 1997). It builds on ideas relating to more efficient and flexible service delivery procedures (concepts highlighted in the NPM model) to answer the needs of an increasingly diverse citizenry and acknowledges an increased complexity of public-sector accountability mechanisms as a response to increasing numbers of stakeholders and ambiguous objectives (Bovens, 2007; Christensen and Lægreid, 2011). PG particularly recognises both a plural state (where multiple interdependent actors contribute to the delivery of public services) and a pluralist state (where multiple processes inform policymaking) (Lynn et al., 2001; Osborne, 2010; Peters, 2008). It stresses the role of inter-actor relationships with an emphasis on trust control mechanisms, service processes and outcomes. Hence, the focus of accounting techniques moves more and more towards the reassurance of social efficacy and effectiveness (highlighting the ensuring of citizens’ satisfaction and attention to outcomes), as well as external accountability and transparency (European Commission, 2001; OECD, 1995; World Bank, 1994).

PA, NPM and PG can therefore be identified as three different discourses (Pollitt and Bouckaert, 2011), with accrual accounting and budgeting, cost accounting, and performance measurement each being capable of being viewed through each of these separate lenses. While NPM stresses the introduction of accrual accounting as well as output and performance-oriented systems, PG puts greater emphasis on the need for external accountability and transparency. Of course, these categorizations serve here as heuristic and analytical tools, since they represent a simplification; in reality elements of each discourse can coexist with each other or overlap.

3. Empirical design and methods

This paper focuses on the changes in accounting and budgeting systems in the central governments of the UK, Italy and Austria over the last three decades. Besides the content of the decisions taken to change the systems, we are also interested in how the national translations of the broader reform discourses have impacted the way in which these reforms are debated. In particular, we investigate the extent to which official reform talk and reform decisions (Brunsson, 1989; Pollitt, 2001) are aligned and linked over time.

In order to select the countries of study, we followed prior research (Kickert, 2008; Ongaro, 2009; Pierre, 1995) that emphasised how different historical and institutional backgrounds can affect the form and the content of administrative reforms and, as a consequence, lead to substantially different reform trajectories. Hence, three countries with different styles and traditions were selected: the UK, representing the Anglo-Saxon system; Austria, a Continental European (Hammerschmid and Meyer, 2005; Meyer and Hammerschmid, 2010) or Germanic (Painter and Peters, 2010) state, and Italy, a member of the French (Loughlin and Peters, 1997), Napoleonic (Painter and Peters, 2010) or Southern European (Demmke and Moilanen, 2010; Hajnal, 2003; Torres, 2004) system. As mentioned above, the UK has been historically categorised as an early and high-intensity adopter of NPM-related reforms (present already in the 1980s), while Italy and Austria followed around a decade later (Hood, 1995; Pollitt and Bouckaert, 2011). We will show that, despite quite different starting points, all three countries were driven by similar accounting reforms relying on similar institutional discourses (previously identified as PA, NPM and PG), albeit with distinct “translations”. In order to cover the relevant reform initiatives and debates in the three countries, we chose an observation period spanning three decades from 1980 to 2010.

The history of the changes decided in the accounting and budgeting systems in the three countries was reconstructed on the basis of the relevant official reform documents, archival materials (such as published articles), and interviews with central government managers. Following a textual analysis approach, we reconstructed the discursive dynamics on the basis of specific text genres that accompanied the legislative process in the three countries, i.e. laws, technical commentaries to the bills, and debates in parliamentary chambers and committees¹. Austrian documents included (for a total of 28 documents and 492 pages): (i) text of the law in the Federal Law Gazette; (ii) comments to the bills in which principles, background and reasoning for the amendments were outlined and each paragraph of the law that is to be changed was described and commented, and (iii) transcripts of the final discussion in both chambers of parliament (National Assembly and Federal Assembly) and all parliamentary committee reports discussing modifications to the draft laws. In Italy the data stemmed from the following documents (42 in total, 1,443 pages): (i) text of the law in the Official Gazette; (ii) guidelines (typically called “Circolari”) and decree laws issued by the government and concerning the directions for the enactment of the related law; (iii) transcripts of the first and the final discussion (which in Italy represented all the discussions taken) in both chambers of parliament (Chamber of Deputies and Senate) and all parliamentary committee reports discussing modifications to the draft laws. Finally, the UK documents comprised (a total of 47 documents, 2,455 pages): (i) text of the enacted law as in the parliament’s national archives; (ii) explanatory notes to the Resource Accounting and Budgeting (RAB) bill (the only bill issued over the analysed period), accounting for the background and rationale of the law and its amendments; (iii) administrative reports which explored areas with some significant focus on accounting and budgeting reform (such as the launch of the Financial Management Initiative, issues regarding the establishment of Executive Agencies and how accountability might be discharged, discussions on measuring and managing performance, Green and White papers, the Treasury Committee’s reports on “Resource Accounting and Budgeting in government”, etc.) issued by governmental and parliamentary committees²; and (iv) transcripts of the first and the final bill discussion in both chambers of parliament (House of Commons and House of Lords) and all parliamentary

¹ This does not deny the relevance of other communication arenas, such as the media (see Meyer and Höllerer, 2010). However, as the area of financial and budgetary accounting reforms can be assumed to be “expert talk”, we expect these documents to be representative of the relevant arguments.

² In the UK (a common law country) most of the accounting and budgeting changes did not pass through law, but rather administrative acts.

committee reports discussing modifications to the law or an existing administrative regulation.

Each of the three discourses provides characteristic standard narratives, vocabularies, ideas, concepts or instruments (Mills, 1940) that signify adherence to a particular discourse. For example, in a Continental European state, to stress that life-tenure for civil servants is a prerequisite for objectivity and political neutrality of the public sector can be regarded as a cue for the adherence to a PA discourse. To reconstruct the discourse(s) that the texts invoked, we developed a dictionary of such “signature elements”; a similar approach to that used in prior research on institutional logics and identities (Meyer and Hammerschmid, 2006; Rao et al., 2003; Suddaby and Greenwood, 2005; Thornton and Ocasio, 1999) or frame analysis (Gamson, 1992; Gamson and Modigliani, 1989; Meyer and Höllerer, 2010; Vogel, 2011). In particular, we developed a dictionary built on previous research from the three countries (Hammerschmid and Meyer, 2005; Lapsley, 1999, 2008; Liguori, 2010; Liguori and Steccolini, 2012; Meyer and Hammerschmid, 2006; Ongaro, 2011; Osborne, 2010) (see Appendix 1). For example: references to *efficiency*, *contract*, *agencification* or *competition* were used to identify the NPM discourse; PG was associated with topics such as *networks*, *citizen participation*, *transparency* or *external accountability*; and PA was identified in relation to such cues as *rule*, *compliance* or *procedure*. In all countries, the same codes (in their different languages) were used to identify the three discourses. We would like to point out, however, that our analyses exceed an automatic search or quantitative counting of words: the dictionary greatly aided the coding, but all documents were read by the coders in detail and it was left to the coders’ interpretation whether a keyword was used to cue a particular discourse or not. Data coding and analysis were supported by the software ATLAS.ti 6.

A statement can draw on a specific cue to either endorse or criticize a specific reform discourse; the visibility of a particular reform discourse in the debate reflecting either support or opposition. To identify this, we distinguished between “positive/neutral” (i.e. supporting – PA1, NPM1 and PG1 codes) versus “negative” (i.e. criticising or challenging – PA2, NPM2 and PG2 codes) usage of the discourse key conceptual elements (e.g. “*This [increase of efficiency] cannot be continued by centralism, by control via inputs, i.e. control only via expenditure. However, we have to continue. We need more decentralization*” [Austria – 1st Chamber Debate, 1999, p. 133] was assigned “negative” PA2 and “positive” NPM1; and “*The thrusts of amendments Nos. 24 and 25 are rather different, so I shall deal with them separately. Amendment No. 24 is clear: its purpose is to improve openness and*

accountability in the Government's financial reporting" [UK – Mr. Davis, Third Standing Committee A, 2000] was assigned “positive” PG1).

In order to increase internal validity and reliability (Trochim and Donnelly, 2006), the codebook was applied to each of the documents independently by two researchers, with all cases of disagreement being reviewed and resolved by the team. The unit of analysis was the paragraph. For the analysis of the relative prevalence of each discourse, we counted the number of occurrences of different signature cues within each paragraph³ (i.e. when four different NPM1 codes, supporting NPM arguments, occurred in a single paragraph, the paragraph was “weighted” as $NPM1*4$) and divided this number by the total number of cues coded (presented in Table 1).

In addition, in order to explore the extent of sedimentation of multiple reform discourses, we measured their co-occurrence and, thus, assigned binary codes to each paragraph indicating whether specific reform discourses were present or not (for example, when an NPM1 code occurred four times in a paragraph together with two PA1 codes, the paragraph was counted only once, see Appendix 2). The co-occurrence counts for each combination of reform discourses (e.g. PA1/NPM1) were normalised against the number of paragraphs in which the “smaller partner” code (e.g. PA1) was present (see Table 2). The less recurrent partner, indeed, represents a constraining factor to the frequency of a specific co-occurrence (which can never exceed the frequency of the smaller partner code). This measure provides an indication of the extent different discourses (and their related ideas) co-exist in the official debates and become layered over time. Finally, to increase the comparability and for exposition purposes, we aggregated the data in three decades (the 1980s, the 1990s and the 2000s).

4. The accounting reforms in the three countries

For each of the three analysed countries, Table 1 shows the overall distribution of the three reform discourses, whose data are presented in terms of both absolute counts and percentages

³ The number of total hits for all the discourses was 13,776 in the UK, 8,941 in Italy, and 4,610 in Austria.

of the total number of codes for the specific decade. Similarly, Table 2 reports the co-occurrences (i.e. the layering of the discourses) in both absolute counts and normalised against the total number of paragraphs where the smaller partner code was present. This table also shows in how many paragraphs the reform discourses appeared as “stand-alones”, i.e. not in a combination with elements from other discourses⁴. Following the presentation of the data, the debates and their stories are analysed⁵.

Insert Table 1 here

Insert Table 2 here

While Tables 1 and 2 describe the reform “talk”, the main features of the countries’ subsequent decided changes with respect to their accounting systems are outlined in Table 3. The alignment of the “talk” and the decided changes is explained in detail below.

Insert Table 3 here

4.1 The accounting reforms in the UK

The rhetoric regarding accounting and budgeting reforms in official UK documents over the last three decades has predominantly been driven by managerial arguments (see Tables 1 and 2). Considering the occurrence of the three discourses, NPM is by far the strongest in each of the three periods.

In the 1980s arguments supporting PA ideas had limited presence and, interestingly, were at their lowest level of any of the three decades (Table 1). While PG is almost non-existent, the NPM discourse shows the highest occurrence of all the periods considered. This stresses the need to embed the new NPM ideas into the existing culture, thus insisting strongly on the associated concepts. This picture is confirmed by the co-occurrences (Table 2), where NPM arguments are often presented alone (59.6% of the paragraphs) and

⁴ In this case the percentage rate was normalised against the total number of paragraphs where a specific discourse code was present.

⁵ Only the main co-occurrences are displayed and discussed here. Often the negative codes (which, as can be seen in Table 2, did not have high levels of occurrence) did not co-occur with other codes. As a consequence, only the indicative combination PA2/NPM1 has been reported.

mainly in positive terms (the co-occurrence between statements supporting NPM and criticising PA is the lowest of the three periods – PA2/NPM1). PG cues, instead, are mainly associated with NPM (3 times), then followed by PA (2 combinations). It has to be noted, however, that the 1980s were characterised by a smaller number of documents and relative counts (two documents for 327 hits in 40 pages) when compared to the other two decades under consideration. As a consequence, the results highlighted in this first period can be considered relatively less significant.

When we look at the reform changes decided in the same period, we see that in the early 1980s, accounting and performance measurement in the UK central government featured: cash budgeting with strict annuality requirements; cash accounting; and limited performance measurement and performance management. Since then it has progressively moved along a continuum of modernisation in budgeting, financial accounting and performance management (see Table 3). Different aspects of these changes have taken precedent in different time periods.

The earliest significant changes were seen with respect to performance management. The Financial Management Initiative called for managers at all levels in central government to have (HM Government, 1982, p. 5) “a clear view of their objectives, and means to assess, and wherever possible measure, outputs or performance in relation to those objectives”. This high-minded aspiration was a leitmotif in the Next Steps Initiative, the Citizen’s Charter and developments in education and health care in the 1980s. For example, a report by the Efficiency Unit (1988) to the Prime Minister argued that the civil service was too big and diverse to manage as a single unit, and there was a need for smaller, performance-focused units. An extensive programme, referred to as the Next Steps Initiative, commenced aimed at delivering better quality central government services for the benefit of taxpayers, customers and staff. Performance measurement and reporting were also integral parts of the development of RAB in the mid-1990s and came again to the fore in the introduction of Public Service Agreements (PSAs) and Service Delivery Agreements (SDAs) in 1998. In these, central government departments were held accountable for service delivery through the targets set out in their PSAs and SDAs.

In the 1990s and 2000s the UK debate was highly interconnected because most of the changes widely discussed in the 1990s were planned for implementation (and thus discussed again) in the 2000s (see RAB and the Whole of Government Accounts – WGA – reforms). Although both the absolute and the relative counts of positive NPM cues (NPM1) decrease in

the 1990s to increase again in the 2000s (thus not showing any definite trend), this discourse remains stable and predominant (having an average of approximately 64% of occurrences over these two decades – Table 1). The occurrence of the positive PA cues (PA1) similarly has no particular trend and is much weaker than the NPM codes, but the analysis also suggests that the traditional administration argument (related to elements such as rules, cash accounting and expenditure and input controls) has clearly survived in the different waves of reform over time (with an average of 25% over these two decades – Table 1). Finally, the positive PG codes (PG1), characterised by a very low, almost non-existent, base in the 1980s, show clear growth during the 1990s and 2000s, albeit still to rather modest levels in the last decade (8.9%). This suggests the emergence of PG in the UK central government scene, possibly reflecting a greater stress on accountability and transparency. The data highlight the emergence of this discourse, although more time may be needed in order to evaluate its future importance in the managerial and political arenas.

The interpretation of the co-occurrence, indicating the level of sedimentation across the different discourses, while presenting a consistent picture, also highlights some interesting additional features in the UK (Table 2). The combination of PA2 and NPM1, where arguments against PA are presented in the same paragraphs as arguments in favour of NPM, increases in absolute terms (132 and 148 hits in the 1990s and 2000s respectively), but remains mainly stable (with NPM1 co-occurring in approximately 80% of the PA2 paragraphs). Therefore, in the UK, especially from the 1990s it is not uncommon for arguments against PA to be used as a justification for NPM. For example:

“Since resource budgets will score the full current cost of assets owned by the department, they will allow for easier comparison than under cash budgeting with the charges where a private finance option has been taken” (UK – HM Treasury [White Paper], 1995, p. 29).

As can also be seen in Table 2, in the 1990s and 2000s PG mostly co-occurs with NPM (over 50% in each decade), with the co-occurrence of PG1 and NPM1 increasing over time. The data demonstrate that PG1 cues are often combined with NPM1 ones (over the last two periods the PG1/NPM1 combination grew by 50%, from 203 to 322), rather than being present by themselves or combined with PA1 (PA1/PG1 co-occurrences decrease over time). In addition, PG is relatively frequently presented in association with both NPM and PA (co-occurrence PA1/NPM1/PG1), although this combination reduced slightly (from 70 to 66) between the 1990s and the 2000s. The relatively moderate level of the three-way co-occurrence could be explained by the increase in the comparative importance of the PG

discourse, whose ideas are more and more presented as independent arguments (the presence of the code ‘PG stand-alone’ in the UK goes from 68 paragraphs in the 1990s to 108 in the 2000s). But what decisions were taken in the UK in the same periods?

As can be seen in Table 3, it was decided to move financial accounting from its traditional cash base to a more commercial accrual base. The arguments for using the accrual model, in place of cash accounting, gained prominence and acceptance, and a move from the cash basis was agreed for central government (a Green Paper – HM Treasury, 1994; being followed by a White Paper – HM Treasury, 1995). This was developed under the title of “RAB”. Resource accounting, which extends beyond the cash-based accounting used previously by applying accrual principles to central government department accounting, also seeks to integrate objectives and targets into the accounting system. In addition, on the management accounting side, a subsequent move to resource budgeting, in order to make the management accounts align with the external accounts in central government, was agreed. The position of accrual accounting was further embedded by the production of Whole of Government Accounts (WGA – a consolidated set of accrual financial statements for the UK public sector, consolidating around 1,500 bodies, including central government departments, local authorities, devolved administrations, the health service and public corporations), with the first set of WGA being published in 2011. In the realm of budgeting, major changes have also occurred. As mentioned above (and shown in Table 3), the move from cash budgeting to resource (accrual) budgeting was announced in the mid-1990s and was “live” by 2003. In addition, annuality (the requirement for budget allocations to be spent by the financial year-end or be surrendered to the centre) was abolished in 1997 at central government departmental level with end-year flexibility being permitted (allowing the carry forward of unspent resources from one year to the next).

This is not to say that all accounting and budgeting reforms were announced and then implemented without adjustment and in accordance with initial timetables. Indeed, often a degree of evolution and shape adjustment took place between initial announcement and the final decided changes. For example, in the case of RAB, an Output and Performance Analysis (OPA), a performance-related statement included in the initial framing of RAB, was removed as a primary statement to be produced in the final agreed RAB structure (with many of the ideas relating to the OPA being subsumed within subsequent performance-related requirements connected to the production of PSAs and SDAs outside of the RAB process) (Connolly and Hyndman, 2006b; HM Government, 2000; Likierman, 1998). Moreover,

perhaps the most extreme evidence of where significant delay occurred between initial proposal and final decided change in relation to NPM-type accounting adjustments was with WGA. Here the initial 1998 timetable targeted 2006 as the first year where such accounts were to be produced; in fact, this was delayed until 2011. It has been argued that a combination of competing priorities, limited resources, the UK public sector moving to International Financial Reporting Standards, and political and fiscal changes were largely responsible (Heald and Georgiou, 2009). During the gap between initial proposal and decided change, as political hues altered and debate and discussion relating to the initial recommendations took place, alterations to the detailed requirements occurred (Chow et al., 2007; Heald and Georgiou, 2011). Although not the focus of this paper, the extent and reasons for such shaping of proposed accounting reforms after initial announcement, but before they are finally decided upon, and the involvement of actors in the process have been explored in other work (Christensen and Parker, 2010).

Overall, from the UK data, while the NPM discourse is consistently strong and the PG one is strengthening, PA follows a weakening trajectory. As highlighted earlier in the paper, some previous studies have debated whether NPM could nowadays be considered dead and, if so, what its replacement would be (Brunsson and Olsen, 1993; Lapsley, 2008; Osborne, 2010). Our analysis suggests that NPM is still alive and kicking and has been augmented as PG ideas have been interwoven and layered over time. PG, rather than replacing NPM, has complemented it. The comparison between the discussion (Tables 1 and 2) and the changes decided upon (Table 3) shows considerable alignment in the UK. While recognising that, with particular accounting tools, for a variety of reasons, initially launched timetables slipped and adjustments had to be made to detailed technical requirements (Connolly and Hyndman, 2006b; Heald and Georgiou, 2009, 2011), the trajectory was essentially forward. Therefore, at a time when positive NPM arguments were dominating the discourse in official central government publications, accounting ideas associated with NPM were being driven into central government accounting systems. Moves from cash accounting, cash budgeting and strict annuality in the early 1980s (PA ideas), to accrual accounting (“live” by 2001), accrual budgeting (“live” by 2003) and end-year flexibility (from 1997) are clear evidence of this. Similarly, the massive expansion and focus on performance measurement and performance management are indicative of NPM themes being embedded (see HM Government, 1982, and the introduction of PSAs and SDAs in 1998). The deployment of NPM ideals has not been limited to a particular time period and continues even today. These reforms were not

introduced at a point in time, but rather were features of a rolling programme of accounting reforms associated with NPM ideas throughout the three decades considered. While these reforms were being announced (and planned to go “live”), the rhetoric used in the official UK government’s documents and discussions provided consistent argument and justification in their defence.

4.2 The accounting reforms in Italy

The discussion around the accounting and budgeting reforms in the Italian central government highlights a substantial stability of the PA argument, notwithstanding the multiple attempts of introducing more NPM-like accounting tools and ideas. In the 1980s, in the general discussion, the PA discourse represents the most predominant one (63.7% of the total counts – Table 1), while NPM and PG cues are substantially less pervasive (respectively 27.5% and 2.7%). While topics such as accountability and networks are the most frequently PG-signature words to occur, overall this discourse has very limited use in the documents of this period. Some interesting observations also emerge from the interpretation of the co-occurrences (Table 2). Indeed, the PA “stand-alone” codes are the most frequent of the stand-alone discourses (63.7% of the paragraphs containing at least one PA1 keyword) when compared with NPM and PG. This is consistent with the interpretation suggested above. The “PG stand-alone” cues occur only twice in terms of number of paragraphs (and are totally absent in the other two periods – Table 2). Moreover, arguments supporting PA are mostly associated with NPM cues (116 PA1/NPM1 combinations) suggesting that NPM concepts were often introduced relying on old systems and ideas.

In terms of decided changes, the Italian central government budgeting and reporting had traditionally been cash and commitment-based with the main purpose to ensure budgetary compliance and control over expenditures. The accounting documents comprised the annual budget, the three-year budget, and the Financial Law (Clemente, 1992). In 1988 the first accounting reform (Law 362/1988) introduced a new document, the Economic and Financial Plan (EFP), with the aim of reducing the perceived shortcomings of the traditional bureaucratic system by requiring the preparation and use of multiyear budgets (Table 3). The EFP required that, at a programme level, resources that the public sector drew from the private sector be stated as well as the detail of how these would be used. This sought to lower the impact of single-year budgets, while encouraging programme focus and the setting of

clear longer-term financial objectives relating to three-year budgets. The EFP was introduced through the annual Budget Law, although, at this time, no formal performance elements were required in the budget framework (see Table 3).

In the following decade, the 1990s, the presence of the PA discourse decreases to 52.3% of the total counts (the minimum of all the three decades – see Table 1); while the number of cues positively referring to NPM (NPM1) shows a peak (39.5% in the 1990s vs. 27.5% in the 1980s and 35.6% in the 2000s). The NPM arguments mainly concerned the introduction of the new cost and accrual accounting systems, in particular in 1997 and 1999. The PG discourse was again rarely used in the documents (accounting for only 5.8% of the total – Table 1). Looking at the co-occurrences, the PA “stand-alone” codes are still the most frequent (35.7%, representing an even higher absolute count of 358 paragraphs). In the 1990s there is an increase in the co-occurrence rate related to the combination of PA1 and PG1 codes, i.e. the combination between arguments supporting the PA and the PG discourses (71.7% of the paragraphs drawing on PG1 – Table 2). This remains relatively steady over the years (64% in the 2000s). When PG cues are present, they are usually associated with either NPM or PA arguments.

The 1990s represent the period where the most significant reforms were decided. With respect to budgeting, major changes were made in the 1990s (Law 94/1997). Two distinct functions, political and managerial, were added to the traditional cash-based budget. Chapters (the most detailed level of appropriations, corresponding to the cash-based expenditure and revenue line items) were aggregated into broader expenditure and revenue basic budgetary units (corresponding to the functions, such as primary education and public security services, carried out by the different organizational departments) to be approved by parliament. The more detailed chapter classifications were left only for managers’ use. Approvals and expenditures were aligned to the structure of ministries and classified on the basis of homogeneous areas of activity and objective-functions (Collevocchio, 2004). In 1997 cost accounting and accrual accounting systems were introduced (to parallel the traditional cash budget). The cost accounting system identified costs, responsibility centres and items directly related to efficiency and effectiveness indicators in each ministry and related these to the objective-functions identified above for the general system. The new and the old accounting systems were to run in parallel, with various adjustments and reconciliations made where appropriate. While accrual budgets were developed and issued, only the traditional cash and commitment-based budget had to be voted on by parliament. The accrual

budget had three specific phases (as seen in Table 3): proposed budget (ministries' financial and human resources requirements), presented budget (updated financial figures) and definitive budget (objectives related to costs). An accrual financial statement was developed with the aim of providing a much greater focus on achieving non-financial results (Carabba, 1994).

In the final decade under analysis, the 2000s, the debate and the rhetoric around the accounting and budgeting reforms give a picture similar to the first period: the PA discourse remains the strongest (53.6% of the total counts – Table 1), while there is a decrease in the relative number of cues positively referring to NPM (35.6%), and PG codes remain relatively marginal, with a small increase (8.5%). Among the co-occurrences, the presence of PA “stand-alone” cues continues to be the most significant of the “stand-alone” cues (15% of the paragraphs – Table 2). In this decade NPM and PG codes never “stand-alone”. Differently from the UK and Austria, PG hardly, if ever, appears alone, with it most often accompanying PA. This means that in Italy over time there has been a weak (maybe only formal) introduction of PG ideas into Italian documents (transparency and accountability being the main PG keywords found) within a predominantly PA discourse. It has also to be noticed that the level of sedimentation – i.e. the co-occurrence – among all the three codes (PA, NPM and PG) increases over time (PA1/NPM1/PG1 representing 32.1% of the paragraphs drawing on PG1 in the 1980s, 42.1% in the 1990s and 46.9% in the 2000s – Table 2). This trend is also mirrored by the decrease in the relative importance of NPM as an independent argument (the presence of “NPM stand-alone” codes goes from 86 paragraphs in the 1990s to zero in the 2000s), and the almost non-existence of PG as an independent argument in any of the decades. Also the combination rate of PA2 and NPM1 cues (i.e. arguments against PA and in favour of NPM) increases both in absolute and percentage terms (from 52.4% of the paragraphs drawing on PA2 in the 1980s to 78.8% of PA2 paragraphs in the 2000s). However, considering the absolute number of counts (11, 26 and 26 hits in the three decades respectively), the co-occurrence is not as relevant as others are (such as the combination of PA1 and NPM1). But how was the return of the PA ideas mirrored in the decided changes in Italy?

In the last decade (see Table 3), the traditional budget structure was again modified and reorganized into missions (ministries) and programmes (within ministries). Missions were realized through programmes (areas of homogeneous activities for the achievement of specific objectives). Each programme identified priorities, resources and objectives. In

addition, the cost accounting system was revised to provide greater detail by nature, centre, mission and programme. In parallel, the overall organizational structure, including cost centres, was changed and an annual spending review was developed to assess ministries' needs. Further adjustments to this were made in 2009 (Law 196/2009), when the commitment-based budgeting system was abandoned in favour of a two-year experimentation drawing on cash only.

Comparing the debate with the decided changes, the Italian accounting reforms are far from linearly evolving towards the intended, more managerial model. On the contrary, PA arguments still prevail throughout all the periods. The increase in NPM codes in the 1990s is associated in time with the introduction of specific systems (cost accounting and accrual budgeting), the relevance of which slightly fades over time (again, in favour of discussions concerning the old cash-based logic). In Italy, more than a replacement of ideas over time, there is the sedimentation and layering of multiple discourses with a long-lasting predominance of the traditional PA discourse. When a formal managerial change was argued for, there was little pressure to replace old ideas (which were never really put under scrutiny but rather were largely reaffirmed under different shapes and expressions). This is illustrated in the following quotation (highlighting the supplementing of existing processes rather than their replacement):

“Accrual-accounting, bookkeeping and outputs are used also to define the budget proposals, to better allocate resources, to plan financial activities, to monitor the financial impacts of budgetary changes and cost and legislative requirements in the areas for which the Administrations are responsible. They are used by the Administrations involved and by the Ministry of Treasury, to which data are communicated by the other Administrations – where possible via ICT evidence – through the responsible Accounting Offices” (Italy – Decree Law 279, 1997, p. 1).

The decision to introduce new NPM tools (sometimes, but not always, found in the political decisions) provides a basis for the old PA arguments to survive and reproduce themselves.

4.3 The accounting reforms in Austria

As regards the Austrian debate, the budgeting and accounting rhetoric in the 1980s is strongly shaped by the vocabulary provided by the PA discourse, both in terms of counts of signature cues (over 60% of this period – see Table 1) and occurrence in paragraphs. In addition, as Table 2 shows, this discourse has a high “stand-alone” quality: 70.9% of all paragraphs that

display at least one PA1 code draw exclusively on this discourse. The focus is on *rules/norms* as well as on *expenditure* and *cash*. This is well aligned with the actual content of the 1986 reform (codification of fragmented regulations based on cash budgeting): for decades, the federal budget legislation was fragmented; besides budget-related norms in the constitution, there was an unsystematic set of norms in several laws and regulations (mainly the federal budget regulation and the bookkeeping service regulation). The oldest laws in effect dated back to 1863 – i.e. the time of the Austrian Empire (Schwab, 1986). Many years of internal debate and studies of international best practices resulted in the codification of budget rules and procedures. The reform of 1986 (see Table 3) brought some new budget principles including an amendment to the constitution and the codification of budgeting and accounting rules in a more coherent law, the Federal Budget Law (FBL). This reform focused on rules for line-item budgets on a cash budgeting basis, obliged ministries to establish a cash and an accrual accounting system (yet, without detailed accounting rules) and integrated a medium-term budget prognosis.

While PG has limited visibility in the documents of this period (8.1% of all cues, mostly related to transparency issues and frequently co-occurring with keywords from other discourses), NPM is reasonably represented. It has 28.5% of the overall cues (see both NPM1 and NPM2 in Table 1) and 49.5% of the coded paragraphs that use this vocabulary refer to no other reform discourse (see “NPM1 alone” in Table 2). Looking at the keywords from this discourse, we find *objectives*, *responsibility*, *flexibility* and, leading the list of cues, *public business*. This is especially notable as it somehow rhetorically sets the stage for the agencifications and corporatisations of the following decades. In this sense, while the decided change is dominated by reforms firmly anchored in a classical bureaucratic paradigm, with only marginal elements of managerialism (such as a rule-based differentiated system for carry-forwards, accrual and cost accounting), the debate foreshadows the coming relevance of these issues.

A decade later, the reform rhetoric used in the analysed documents is almost reversed. Arguments from the NPM discourse account for over 60% of the codes (see Table 1 – the main keywords used are *evaluation* and *controlling*, *flexibility*, *efficiency*, *objectives*, *output* and *cost*), while the PA discourse (for both positive and negative codes) is reduced to 31.1% (main focus on *rules/norms* and *expenditure*). PG continues to lack visibility in this period. Moreover, a look at Table 2 shows that 56.5% of the paragraphs containing NPM codes draw exclusively on NPM, whereas the same is found for only one third of paragraphs using PA.

Especially interesting is the high overlap of PA and NPM, which represents two thirds of the paragraphs drawing on PA (as the smaller partner).

This raises the question as to how the budgeting and accounting system has changed in that period. Between 1986 and 1999, the federal budget law was modified several times. Most formal changes were minor and had become necessary with the process of corporatization of governmental units. No significant modifications of the budget law concerning budget and accounting rules were made. However, on the level of budget practices, notable developments like the introduction of top-down-budgeting (for details see Blöndal and Bergvall, 2007), without formal codification and public discussion, took place. Finally, in 1999, a reform boost towards the application of management instruments in budget management followed. With the 1999 reform (referred to as the “flexibility clause”), the empowerment of state bodies with more managerial discretion was a milestone towards greater budgetary flexibility (see Table 3). This regime provided approximately 20 pilot state bodies (such as prisons, police schools or the printing office of the armed forces) with an annual lump sum budget and incentives for generating additional revenues, but combined with performance objectives. Furthermore, the units were given the possibility to carry forward budget that was not spent. However, this reform was still introduced within the cash-budgeting framework of the 1986 law. Integral to this mode of management were performance contracts of the units with their line ministries (Hammerschmid et al., 2008). Without doubt, this reform was an important step on the public budgeting reform agenda. However, given that the budgetary system was still cash-based and the reform initiatives were neither substantial in substance nor in scope, the strong presence of NPM elements in the debate is still conspicuous. We take this as indication that the rhetoric displayed in the texts that accompany these reforms has been used to provide legitimization of the not yet taken-for-granted features of the new practices.

In the third period, the predominance of arguments in favour of the NPM discourse prevails, although with decreasing intensity (53.1% of cues being NPM1 – see Table 1). With around a third of the codes, PA1 holds its position. For the first time, PG exceeds 10% of the total signature cues. The main keywords in this period are: *cash* and *rules/norms* from PA, *accruals*, *flexibility* and *effectiveness* from NPM and *transparency* and *equality* from PG. What is the actual content of the reforms that are rhetorically framed in such a way?

The experience gained from the flexibility clause was an important input for the FBL reforms in 2007 and 2009 (to be introduced in two phases, going “live” in 2009 and 2013).

An amendment to the constitution and the codification of an entirely new budget law were necessary to provide the legal grounding for this. In 2007, a constitutional change for phases 1 and 2 went along with an amendment to the organic budget law concerning the launching of the first phase of the Medium-Term Expenditure Framework (MTEF) and the new rules to enable units to carry forward unused funds and for shifts between line-item budgets (Meszarits and Seiwald, 2008). The law as of 2009 incorporated the new accounting and budgeting principles of the constitution (outcome orientation, efficiency, transparency, and true and fair view) into the budget law. Whereas the 2007 budget law was an amendment to the 1986 law, in which the cash budgeting and accounting systems were not changed, the 2009 budget law was newly codified. For this purpose, a number of performance management instruments were developed ranging from performance budgeting to performance reporting and performance-related contracts for government agencies (Steger, 2010). In addition, accrual accounting and accrual budgeting were aligned to the International Public Sector Accounting Standards framework so that a connection to international accounting practice was secured (Bauer et al., 2011).

As the FBL was codified entirely anew in this period, it is unsurprising that *cash* and *norms/rules* are main keywords referred to. However, when looking exclusively at the parliamentary debates, we find NPM and PG dominating the agenda of the politicians. Given that in this period a wide variety of reform issues were incorporated into the budget law, it is perhaps remarkable how well represented all three reform discourses are. Indeed, all three have a reasonable “stand-alone” quality – about 44% of the paragraphs that use PA keywords exclusively relate to this discourse; the same applies to 48% using NPM and to almost one third using PG (see Table 2). While a lot of managerial talk in the 1980s and 1990s had anticipated the developments, the major reform initiative that introduced performance and accrual budgeting rhetorically invokes a consensus by making all three reform discourses co-exist in the same document. This echoes prior research findings which suggested that accounts grounded in widely accepted beliefs are particularly effective in times when legitimacy is in danger and needs to be secured (Elsbach et al., 1998).

Comparing the debate and the decisions, a number of observations can be made: in general, on the level of the decisions taken, the Austrian development can be described as a transformation from a bureaucratic model to an absorptive reformer that, on the level of debate and discussion, discursively insert viable elements of the NPM and PG discourses into the underlying legal and bureaucratic framework of the budgeting system. The overall

direction is as expected: starting from a predominantly PA-driven discourse, NPM becomes more and more relevant over time and, more recently, the PG discourse starts to leave traces in all genres. However, while PA loses relevance, we do not find a replacement with NPM and/or PG elements. Neither do we find a serious contestation of discourses (there are very few critical codes), but rather the discourses co-exist.

5. The debates and the decisions in accounting reforms: a comparison of three countries

When the present research is compared to the earlier literature on the intensity and speed of adoption of NPM-style reforms (Guthrie et al., 2005; Hood, 1995; Kickert, 2011; Knill and Balint, 2008; Olson et al., 1998; Ongaro, 2011; Wanna et al., 2010), some similarities and differences emerge. With respect to the speed of NPM-type accounting and budgeting changes, the UK was, as expected, the fastest (and most linear) of the three countries, followed by a slow but steady Austria and an oscillating Italy. While the UK and Austria remain largely in line with the frequent classifications, respectively as leader and late, but moderate, reformer, Italy's apparent ambivalence to NPM-type accounting and budgeting changes (evidenced in terms of both rhetoric used over a period of three decades and accounting change decided upon), suggests a "laggard" label as appropriate. Indeed, despite its spasmodic engagements with NPM arguments over the years, the dominant discourse still remains PA; and its decided changes illustrate that NPM-type accounting changes are marginal rather than embedded.

In the UK and in Italy there is a clear consistency between the debates and the accounting and budgeting changes decided. However, in the UK, both the decided changes in central government accounting and budgeting and the rhetoric around them were clearly directed towards managerial, NPM-oriented reforms. Over three decades they both constantly and consistently pushed in the same direction and, although different aspects of NPM-type changes were promoted at various times, resulted in a heavily-embedded changed system. On the other hand, in Italy PA was constantly the dominant trait, although with some NPM features being promoted at particular points in time. Overall, Italian accounting and budgeting reforms are constituted by a series of incremental changes (rather than a clear shift towards NPM ideas and systems), where NPM-type accounting adjustments (such as the introduction of cost accounting and performance measurement in 1997 and 2007) are ad-hoc

and not particularly embedded in the overall system. Both the systems and the associated rhetoric suggest an uncertain trajectory, characterized by a number of oscillations between PA and NPM ideas, but always and ultimately tightly linked to the traditional PA paradigm. For example, the 1997 law, while apparently introducing accrual accounting, actually re-established the supremacy of cash accounting principles:

“This act discharged by the Senate is politically particularly relevant, since it provides a link with the functional and organizational decentralization of this public administration. In the first section, it focuses on norms that are highly innovative. In particular, it states that the budget appropriations have to be structured into basic budgetary units [the basic items voted by the Parliament, larger than the previous appropriation items and related to the cash-based budgetary functions] under a unique responsibility centre, accountable for the management. The basic budgetary units are the object on which juridical decisions are taken [...]” (Italy – 1st Chamber Committee Discussion, 1997, p. 1).

In contrast to the UK and Italy, in Austria the rhetoric used to explain and justify and the reform decisions do not fully proceed in parallel. The debate was clearly still PA-oriented in the 1980s, with a significant move towards NPM ideas in the 1990s, albeit at this time the accounting and budgeting systems still displayed largely traditional PA-type features:

“I think, one can truly say, that in the last few years, something has developed in our administration which we know from the area of private sector management, namely that more and more modern management methods, modern human resource management methods, means to increase efficiency and so forth have been introduced” (Austria – 1st Chamber Discussion, 1999, p. 135).

Although changes to more NPM-type reforms were first heralded in the 1980s, their introduction was not scheduled in this period. As seen in the Austrian case, although some NPM-oriented reforms (largely associated with new regulations relating to management accounting systems) were decided upon during the late nineties and the first decade of 2000, the majority of significant accounting and budgeting modifications are not due to be operational until 2013. In Austria the changes are gradually decided upon, and well before their introduction (and only after they have been rationalised well in advance).

Considering the trends highlighted by our analysis, it is evident that in each of the countries the three discourses have been discussed mainly in positive terms. For example, in the 1990s in Austria 62.8% of codes are NPM1 (i.e. positive usage of the NPM discourse), whereas only 2.8% codes are NPM2 (i.e. negative reference to the NPM discourse; see Table 1). Moreover, the co-occurrence of PA2 and NPM1 codes is relatively low in absolute terms (Table 2); a combination that may have been anticipated in a situation where NPM

reforms were being introduced to supplant supposedly deficient PA-type accounting and budgeting systems. While it is not surprising that text genres like bills and comments to the bills would not contain much open controversy, we find that even in the parliamentary debates tensions and contestation between the three discourses seem largely absent. A possible explanation for such a finding is that in the three countries the process of reform in accounting and budgeting systems and techniques has been generally characterised by a layering of different ideas, where discourses complement, rather than supplant, each other over time. Changes have been subsequently decided and introduced, building on each other and grafting the new ideas into the existing systems by stressing complementarities rather than contradictions. Adopting such a philosophy discourages the use of negative arguments in discussions and documents. This interpretation supports existing studies on processes of change and translations (Christensen and Lægreid, 2011; Cooper et al., 1996; Mahoney and Thelen, 2010; Malhotra and Hinings, 2005; Streeck and Thelen, 2005) that suggest that change happens by sedimentation rather than by replacement of ideas and values.

Sedimentation reflects a slow, layered, dialectical pattern of elements of new emerging structures, systems and beliefs combined with pre-existing ones. In reforming the public sector, “new brooms hardly ever sweep entirely clean” (Pollitt and Bouckaert, 2011, p. 12); rather, new elements are “introduced on top or alongside existing ones” (Mahoney and Thelen, 2010, p. 15), “making new and old institutions co-exist even when they are constituted on partly inconsistent principles” (Olsen, 2009, p. 18). Moreover, this also confirms prior research on translation of global concepts into local contexts (Czarniawska, 2011; Drori et al., *forthc.*; Meyer and Höllerer, 2010; Sahlin and Wedlin, 2008) that shows how the link to existing values, ideas and practices is actually a prerequisite for new ideas’ resonance in a particular context. This reasserts the persistence of existing systems, even when new layers of reform initiatives and regulations seem to introduce considerable changes. Consistently, a number of oscillations characterise the process (Malhotra and Hinings, 2005). Sedimentation as a change metaphor may help explain the seemingly peaceful coexistence of accounting and budgeting systems relating to different discourses in each of the three countries under study. Moreover, this interpretation would also explain the wavering that can be found in the Italian process of reform, characterised by a non-linear trajectory. Nonetheless, this layering and co-existence should not be mistaken for internal coherence of principles or “harmony” of interests. Tensions within the sedimented layers

provide a constant challenge to stability, and the fault lines inherent in the configuration may become manifest at a later time.

With respect to the details of such trends and oscillations, it is interesting to highlight that references to the PG discourse go from being almost nonexistent in the 1980s (at least in the UK and Italy) to being stronger, although still relatively minor, in each of the countries afterwards. The question whether PG constitutes *the* new reform discourse of the post-NPM era (Osborne, 2006 and 2010) has triggered quite a debate. While some observers find that NPM is not at all “dead” but still alive and kicking (e.g. Drechsler, 2005; Lapsley, 2008), others point to different concepts that may become the prevailing reform discourses, e.g. public value (Benington and Moore, 2011), new digital governance (Dunleavy et al., 2006) or the neo-weberian state (Pollitt and Bouckaert, 2011). As suggested by Pollitt and Bouckaert (2011), at this point in time, it is still difficult to know whether PG actually constitutes a distinct “third wave” of reforms at all and, if so, whether the agenda it proposes will outlive mere faddish euphoria. Our results⁶ suggest that PG ideas seem to complement PA and NPM ones, rather than compete against them. Interestingly, Austria is the only country where all discourses are strong when considered by themselves (see the discourse “stand-alone” values, all above 30% for the same period – Table 2). As can be seen, in the last decade 31.4% of the total PG paragraphs contained PG arguments to the exclusion of the other discourses. PG is a more prevalent discourse in Austria, and it is more often found on its own, probably because of its greater emphasis on gender equality issues and as a consequence of the formal introduction of the “transparency principle” in the 2000s. Even here, however, it represents the weakest of the three discourses in each decade. In the UK and Italy, PG grows from a very low base in the 1980s to modest levels (about 9% – Table 1) in the final decade analysed. However, in these countries it is rarely independent of the other two discourses. Indeed, it appears only seldom on its own (particularly in Italy, where it emerges as a “stand-alone” discourse in only 7% of the total PG paragraphs in the 1980s, while is totally absent as a “stand-alone” in the other two periods – Table 2) and it is almost always associated with the dominant discourse present in the specific country (NPM in the UK, PA in Italy). With

⁶ Accountability is a concept that may, in different specifications, be used in different discourses (e.g. Behn, 2001; Mulgan, 2000; Sinclair, 1995). In this study we coded for external accountability and associated it with PG (Bovens, 2007). However, an elimination of accountability as a discourse marker for PG would not have a significant impact on the findings: accountability is only one of the PG cues and, in terms of visibility, not the most frequent one. Thus, although PG would be overall slightly weaker if accountability was removed as a PG cue, in none of the three countries would it disappear entirely. In Austria, for example, where PG has a certain “stand-alone” quality, the accountability code appears overall only five times.

respect to the PA discourse, in Italy, where it dominates, it is often found on its own in a paragraph; however, the other two discourses are rarely found by themselves (as “stand-alones”). PA became more and more associated with the different ideas brought in by NPM and PG, which complemented and supported, but not supplanted, it. This feature is particularly visible in the last period, when PA, now strongly combined with the different ideas from the other discourses, is still the only discourse that can be clearly and independently identified in Italy (appearing 15% of the times as a “stand-alone” – Table 2). We can conclude therefore that in the UK and in Italy PG does not represent a separate discourse, but rather a spin-off of NPM reforms (in the UK) or an emerging feature to underpin PA (in Italy). Only in Austria is there evidence that suggests PG might represent a new emerging discourse on its own, although such evidence is, at best, tentative as the issues represented are specific – related to gender equality and transparency - and remain unrelated to core characteristics such as sustainability, networks, partnerships, participation or civil-society related concerns.

In each of the countries, over the three analysed periods, changes relating to the introduction of both NPM-type and (particularly in Austria) PG-type accounting and budgeting changes have proceeded at varying speeds and in different ways. These largely complement existing PA processes. In each country similar pressures coming into the public sectors from the external environment (Collier, 2001; Ezzamel et al., 2007; Nor-Aziah and Scapens, 2007) have been evident in the analysed documents:

“We welcome the Government's acceptance that the principles of resource accounting should accord with Generally Accepted Accounting Practice. We recognise that the accounting standards and practices used in the private sector may need to be adapted to the central government sector as appropriate. But it is important that the necessity of adaptations is widely accepted, not just by Government” (UK – Public Accounts Committee, Ninth Report, 2000, p. 32).

“Another emerging and important issue is related to the systems harmonisation, as a consequence of the Maastricht Treaty and the European Union. Under this perspective, we would need a budget scheme, which is receptive to the changes going on in the international scene at the moment, to which we have to adapt if we want to be able to read budgets of different States, especially if it's true that with the globalization process we will have to take also these possibilities into consideration” (Italy – 1st Senate Discussion, Law 94, 1997, p. 18).

However, the responses of the three countries have been quite different: the UK embedding – relatively quickly and intensely – major NPM-style accounting reforms; Italy exploring NPM-style changes, but making modest adjustments to a rooted PA-type

accounting; and Austria slowly reflecting on required action, and gradually introducing, or proposing, what appears to be a substantive change to embrace both NPM and PG-related ideas. Reform discourses are not to be seen as predefined set of ideas, but rather as “umbrellas” under which a variety of different concepts and practices are available. Prior research has shown that some aspects of the differing responses may be due to the different starting points, institutional arrangements, cultural styles, and administrative systems, the attitude of the public and other important stakeholders, the knowledge and skills of public sector employees, as well as the specific power constellations of promoters and opponents of the reforms (Meyer and Hammerschmid 2010; Kickert, 2008, 2011; Lüder, 1992; Ongaro, 2009; Painter and Peters, 2010). Our study suggests that another source of response heterogeneity stems from the specific sedimentation process followed by the reform discourses and characterising a country at a certain point in time. As a consequence of this, the UK reform process has been overall faster, while Austria and Italy, traditionally characterised by more formalised and bureaucratic public systems, may require more time, and effort, to introduce the change and define its direction. Differences, however, might also be influenced by different organizational conditions (such as available resources, capabilities, etc.) at the level of reform discussion and interpretation. These issues call for further research to achieve a better understanding of the factors explaining organizational differences in the interpretation and implementation of accounting reforms (Etherington and Richardson, 1994; Liguori, 2010; Liguori and Steccolini, 2012).

6. Conclusions

This paper focused on the changes in the accounting and budgeting systems at the central government level in the UK, Italy and Austria over the last three decades. Besides the actual content of the reform decisions, our paper also explored the extent to which the vocabularies used to debate and account for these reforms are fostered by the three discourses (previously identified as PA, NPM and PG) that have been predominant in the public sector over this time period. Differently from previous research, we did not aim to investigate a potential implementation gap, but looked at the level of sedimentation of the different ideas over time.

Our study provides an updated view of the position of countries from three different European administrative traditions and their reform agendas. The approach adopted here

contributes to the existing literature on change processes, since it allows a comparison of the consistency of the official discussion with the subsequently decided reform changes, both within and across countries, assessing also the extent of sedimentation or replacement among different discourses and ideas. We have shown that, despite quite different starting points, all three countries underwent similar accounting reforms, albeit at different paces and with varying trajectories. We found considerable differences between the countries, especially with regard to the debates and the manner in which the rhetoric matched, or did not match, the content of the decisions it accompanied. Our study supports prior observations that reform discourses tend not to replace each other, but rather tend to supplement each other (Christensen and Lægreid, 2011; Schneiberg, 2007). The formation of these sedimentations seems to be quite distinct for each of the countries analysed, their systems all being hybrids. While they may use similar “ingredients”, each country made its own specific translation of the ideas and concepts and the layering of the various elements of the reform discourses differently results in heterogeneity. Moreover, we find that within each country debates and decided changes may highlight different aspects of the same discourse.

Finally, the paper contributes to the current debate on the emergence of PG ideas as a self-standing, autonomous paradigm (Osborne, 2010; Pollitt and Bouckaert, 2011). There is not necessarily a development from PA to NPM to PG over time. Although it might still be too early to draw conclusions regarding PG, our findings seem to suggest that the vocabulary provided by this discourse is used to supplement the prevailing discourse – NPM in the UK, PA in Italy, and the co-existence between the two in Austria – rather than supersede it.

As do all studies, as well as providing avenues for future research, this paper has some limitations. First of all, our focus on text genres from the legislative process excludes other arenas, e.g. the media or the academic debate, that are also relevant to assess the status of the three reform discourses. Moreover, the truly taken-for-granted aspects of institutional domains require no justification and therefore do not easily surface in official discourses (Green, 2004). Consequently, they cannot be grasped with the method applied. Second, our interest in accounting and budgeting changes represents only a certain spectrum of public sector reforms with specific influencing factors (e.g. financial markets, fiscal stress) that might not be equally relevant in other reform areas. Although we assume that these reforms reflect the overall “climate” for the countries over the three decades studied, future research is required to determine whether similar patterns can be found in areas like, for example, human resource management (e.g. performance related pay, tenure positions, etc.) or

agencification and the corporatization of the public sector. Furthermore, additional research may investigate the level of “action” (Brunsson, 1989; Pollitt, 2001) and the role played by organizational conditions in different countries.

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Tables

Table 1–Discourse occurrence in the UK, Italy and Austria - a time comparison

	1980s						
	PA1	PA2	NPM1	NPM2	PG1	PG2	TOT
UK	20.2% (66)*	0.9% (3)	78.0% (255)	0.0% (0)	0.9% (3)	0.0% (0)	100% (327)
IT	63.7% (677)	2.0% (21)	27.5% (292)	3.5% (37)	2.7% (29)	0.7% (7)	100% (1,063)
AUT	61.6% (586)	1.6% (15)	27.2% (259)	1.3% (12)	8.1% (77)	0.3% (3)	100% (952)
	1990s						
	PA1	PA2	NPM1	NPM2	PG1	PG2	TOT
UK	31.6% (2,123)	2.5% (168)	58.6% (3,932)	0.8% (52)	6.4% (428)	0.2% (11)	100% (6,714)
IT	52.3% (1,390)	1.5% (40)	39.5% (1,051)	0.8% (22)	5.8% (153)	0.1% (3)	100% (2,659)
AUT	29.7% (86)	1.4% (4)	62.8% (182)	2.8% (8)	3.1% (9)	0.3% (1)	100% (290)
	2000s						
	PA1	PA2	NPM1	NPM2	PG1	PG2	TOT
UK	18.2% (1,227)	3.0% (205)	68.4% (4,606)	1.4% (95)	8.9% (598)	0.1% (4)	100% (6,735)
IT	53.6% (2,799)	0.7% (35)	35.6% (1,856)	1.0% (51)	8.5% (444)	0.7% (34)	100% (5,219)
AUT	33.0% (1,111)	1.4% (48)	53.1% (1,789)	0.7% (22)	11.8% (396)	0.1% (4)	100% (3,370)

(*) number of absolute counts

Table 2–Layering of reform discourse in the UK, Italy and Austria - a time comparison

	1980s							
	PA1/NPM1	PA1/PG1	NPM1/PG1	PA1alone	NPM1 alone	PG1 alone	PA1/NPM1/PG1	PA2/NPM1
UK	78.8% (41)*	66.7% (2)	100.0% (3)	17.3% (9)	59.6% (65)	0.0% (0)	66.7% (2)	33.3% (1)
IT	47.0% (116)	53.6% (15)	57.1% (16)	63.7% (328)	32.0% (79)	7.1% (2)	32.1% (9)	52.4% (11)
AUT	47.7% (105)	50.0% (37)	18.9% (14)	70.9% (326)	49.5% (109)	41.9% (31)	10.8% (8)	33.3% (5)
	1990s							
	PA1/NPM1	PA1/PG1	NPM1/PG1	PA1alone	NPM1 alone	PG1 alone	PA1/NPM1/PG1	PA2/NPM1
UK	47.8% (818)	32.4% (130)	50.6% (203)	44.7% (765)	59.1% (1,477)	17.0% (68)	17.5% (70)	83.0% (132)
IT	39.7% (398)	71.7% (104)	54.5% (79)	35.7% (358)	12.3% (86)	0.0% (0)	42.1% (61)	78.8% (26)
AUT	66.7% (48)	33.3% (3)	55.6% (5)	33.3% (24)	56.5% (65)	44.4% (4)	33.3% (3)	75.0% (3)
	2000s							
	PA1/NPM1	PA1/PG1	NPM1/PG1	PA1alone	NPM1 alone	PG1 alone	PA1/NPM1/PG1	PA2/NPM1
UK	62.4% (658)	19.6% (105)	60.2% (322)	27.6% (291)	66.5% (1,947)	20.2% (108)	12.3% (66)	80.4% (148)
IT	56.9% (682)	64.0% (251)	59.7% (234)	15.0% (295)	0.0% (0)	0.0% (0)	46.9% (184)	78.8% (26)
AUT	52.0% (463)	36.1% (123)	57.5% (196)	43.7% (389)	48.0% (530)	31.4% (107)	24.9% (85)	78.3% (36)

(*) number of absolute counts

Table 3– Main Features of the accounting changes decided in the UK, Italy and Austria

	AUSTRIA	ITALY	UK
		<i>1980s</i>	
Budgeting	<ul style="list-style-type: none"> • 1986 Codification of budgeting and accounting rules: <ul style="list-style-type: none"> ➢ cash budgeting ➢ medium budget planning report ➢ line-item budget ➢ definition of macro-economic budget objectives. 	<ul style="list-style-type: none"> • Co-existence of cash and commitment systems derived from the past. Main principles: budgetary compliance and control over expenditures. Accounting documents: the budget, the three-year budget and the financial law. • 1988 Introduction of EFP (Economic and Financial Plan) in order to focus on programmes and set clear financial objectives over the three-year period of the long-term budget. 	<ul style="list-style-type: none"> • 1980 Based on cash and principle of annuality.
Financial Accounting	<ul style="list-style-type: none"> • 1986 Cash accounting as main accounting system. 	<ul style="list-style-type: none"> • Cash and commitment as main accounting systems 	<ul style="list-style-type: none"> • 1980 Largely cash based and mainly focusing on cash received and cash spent.
Performance Management	<ul style="list-style-type: none"> • No formal performance elements in the budget framework. 	<ul style="list-style-type: none"> • No formal performance elements in the budget framework. 	<ul style="list-style-type: none"> • 1982 Commencement of attention to performance measurement in <i>Financial Management Initiative</i> calling for managers at all levels in central government to have a clear view of their objectives and their performance. • 1988 Intensification of performance focus with the introduction of the <i>Next Steps Initiative</i> and the creation of Executive Agencies which had strict regimes of reporting and planning in terms of performance.
		<i>1990s</i>	
Budgeting	<ul style="list-style-type: none"> • Overall: system largely as in the 1980s until 1999. • 1999 Pilot projects for approx. twenty 	<ul style="list-style-type: none"> • 1997 Revision of the budget in two distinct functions (political and managerial). Consequent 	<ul style="list-style-type: none"> • 1994-1995 Announced that resource (accrual) budgeting to be introduced in all government departments as part of

	<p>selected state bodies (Flexibilisierungsklausel) including:</p> <ul style="list-style-type: none"> ➤ cash budgeting ➤ lump-sum budgets ➤ carry-forward possibilities ➤ multi-annual budgets ➤ incentive and sanction structures. 	<p>reclassification of revenues and expenditures.</p>	<p>the Resource Accounting and Budgeting (RAB) changes (late 1990s – dry-run and transitional exercises to bed system down).</p> <ul style="list-style-type: none"> • 1997 End-year Flexibility (EYF) introduced with respect to budget carry forward. • 1998 Treasury-led <i>Spending Reviews</i> initiated to set firm and fixed spending budgets over several years for each government department.
Financial Accounting	<ul style="list-style-type: none"> • 1999 Cash accounting (accrual and cost accounting do not play a major role; no reform in the field of financial accounting). 	<ul style="list-style-type: none"> • 1997 Introduction of accrual budgeting, although only traditional cash- and commitment-based budgets that have to be approved by parliament. Phases of the accrual budget: <ul style="list-style-type: none"> ➤ proposed budget (ministries account for their financial and human resources needs) ➤ presented budget (updated financial figures) ➤ definite budget (objectives are reconsidered and adjusted to costs). “Objectives-resources-results” efficiency paradigm introduced. Accrual financial statement gives more focus on non-financial results. 	<ul style="list-style-type: none"> • 1994-1995 Announced that resource (accrual) accounting to be introduced in all government departments as part of the RAB changes (late 1990s – dry-run and transitional exercises to bed system down). • 1998 Treasury first published a scoping study for Whole of Government Accounts (WGA).
Performance Management	<ul style="list-style-type: none"> • 1999 Pilot projects for state bodies (Flexibilisierungsklausel): <ul style="list-style-type: none"> ➤ performance measurement ➤ performance contracts ➤ setup of a performance controlling committee to which performance indicators are reported. 	<ul style="list-style-type: none"> • 1997: Cost accounting items directly related to efficiency and effectiveness indicators as identified by each ministry. 	<ul style="list-style-type: none"> • 1994-1995 Announced that <i>Statements of Resources by Departmental Aims and Objectives</i> to be introduced in all government departments as part of the RAB changes – late 1990s dry-run and transitional exercises to bed system down.

			<ul style="list-style-type: none"> • 1998 Performance-focused Public Service Agreements (PSAs) and Service Delivery Agreements (SDAs) introduced as a key-aspect of a quasi-contract between the Treasury and government departments.
2000s			
Budgeting	<ul style="list-style-type: none"> • 2004 Regulation: cost accounting for central units of ministries • 2007 Change of constitution – new budget principles: outcome orientation, efficiency, transparency and true and fair view (in effect 2013) • 2007 Change of organic budget law (in effect 2009): <ul style="list-style-type: none"> ➢ Medium-term Expenditure Framework (MTEF) ➢ lump-sum budgets ➢ carry-forward possibilities. • 2009 Second phase of the budget reform (in effect 2013): <ul style="list-style-type: none"> ➢ programme budgeting ➢ accrual budgeting ➢ fiscal sustainability reports ➢ incentive and sanction structures for line ministries. 	<ul style="list-style-type: none"> • 2007 Reorganization of the cash- and commitment-based budget on missions and programmes: <ul style="list-style-type: none"> ➢ missions (the main functions and pursued strategic objectives) define the new political structure of the budget (ministries' responsibility) ➢ Programmes represent the realization of missions (areas or homogeneous activities for the achievement of specific objectives). • 2009 Commitment-based budgeting abandoned in favour of a two-year experimentation drawing on cash only. 	<ul style="list-style-type: none"> • 2003 Resource (accrual) budgeting “live” in all central government departments. • 2009 Government discussion paper issued with the objective of achieving better alignment of accounting and budgeting information.
Financial Accounting	<ul style="list-style-type: none"> • 2009 Second phase of the budget reform (2. Etappe der Haushaltsrechtsreform), in effect 2013: <ul style="list-style-type: none"> ➢ accrual accounting (integrative system of cash and accrual numbers) ➢ integrative cost accounting ➢ consolidated financial reports in the 	<ul style="list-style-type: none"> • 2007 Partial revision of cost accounting system with further detail on chart of accounts (costs recorded by nature, centre, mission and programme – mirroring the accrual budget). Organizational structure and cost centre changes. Annual spending review 	<ul style="list-style-type: none"> • 2001 Resource (accrual) accounting “live” in all central government departments • 2011 First set of Whole of Government (WGA) accounts.

	long-run.	introduced.	
Performance Management	<ul style="list-style-type: none"> • 2009 Second phase of the budget reform (2. Etappe der Haushaltsrechtsreform), in effect 2013: <ul style="list-style-type: none"> ➤ performance budgeting ➤ performance contracts for agencies ➤ performance reporting ➤ performance controlling. 	<ul style="list-style-type: none"> • As in the 1990s. 	<ul style="list-style-type: none"> • 2001 <i>Statements of Resources by Departmental Aims and Objectives</i> required to be produced as part of the RAB changes in all central government departments.

Appendices

Appendix 1–Keywords identification

Hammerschmid and Meyer, 2005; Hinings and Greenwood, 1988; Liguori, 2010; Liguori, and Steccolini, 2012; Osborne, 2010; Pollitt and Bouckaert, 2004, 2011		PA Discourse	NPM Discourse	PG Discourse
	Main ideas and arguments	Public administration (citizens)	Service provider (customers)	Governance and market rules setter (stakeholders)
		Based on professional differentiation	Based on the integration of professional activities	Based on negotiation of values, meanings and relationships
		Professional practice defined by intrajurisdictional professionals	Analytical appraisal by transjurisdictional management	Enablement skills: Activation, orchestration, modulation
		Public administration as a closed system	Public administration as an open system	Public administration as an “open closed” system (external focus but providing enclosing regulation of public services)
		Constitutive role of legitimacy	Performance-driven legitimacy	Legitimacy through negotiated agreements and democratic accountability
		Objectives selected in accordance with political rationality	Objectives selected in accordance with economic and organizational rationality	Objectives selected in accordance with networking and negotiation with different actors
		Neutral and objective administrative activity, separated from politics and executing law	Administrative activity interacting with politics: politics sets strategy, managers reach objectives	Administrative activity interacting with the environment: systematic and effective consultations with stakeholders
	Structures and systems	High differentiation and low integration	Modest differentiation and high integration	Integration of people, processes, structures and resources
		Incremental resource allocation system	Non-incremental resource allocation system	Inter-organizational and negotiated resource allocation
		Hierarchical bureaucratic control system	Decentralized control system	Inter-organizational control systems with different scope and tightness

		Internal organization untied to selected objectives	Internal organization tied to selected objectives	External organization and network of actors tied to negotiated objective
		Focus on formal procedures	Focus on processes and results (input-output)	Focus on 'steering' of complex networks in societal policy sectors
		Formal evaluation, based on regulation	Efficiency and effectiveness evaluation	Governance, transparency, accountability, equity and sustainability
	Accounting structures and systems	Main purpose: to limit spending; to show compliance of actions with budget	Main purpose: to orient behaviours toward goal attainment	Main purpose: to answer stakeholders' needs
		Basis: obligation and cash	Basis: accrual	-
		Focus: financial indicators and inputs	Focus: performance indicators, outputs	Focus: outcomes, transparency and accountability indicators
		Tools: budgetary accounting	Tools: executive budget, accrual-based reporting, managerial control systems, performance measurement	Tools: consolidated statements, social/sustainability reporting, stakeholders' reports
		Centralized data gathering, information processing and use (Finance Officer)	Decentralized data gathering, information processing and use; integrated accounting system	Data gathering from different actors of the network, inter-organizational integration of information systems
		Finance Officer	Audit control/controller/integrated management	'Network manager' as conductor, intermediary and facilitator
	Code Keywords	<ul style="list-style-type: none"> - bureaucratic/bureaucracy - citizen - rules/norms/requirement - compliance - cash/commitments - administrator/bureaucrat - execute/executor - hierarchy/hierarchical 	<ul style="list-style-type: none"> - NPM/managerialisation - efficiency - effectiveness - output/results/outcomes - satisfaction - customers/client - managers/managerial - strategy 	<ul style="list-style-type: none"> - governance - transparency - external accountability - stakeholder - network - partnership/partners - sustainability/sustainable - ethic

		<ul style="list-style-type: none"> - neutral - objectivity/objective - expenditure/spending - procedures - central(ized) - function - independence 	<ul style="list-style-type: none"> - performance/performance measures/indicator/target/objective - accruals/resources/value for money - contract/PPP/PFI - quality/appropriateness - expenses - audit/auditing - cost/amortisation - process - flexibility - decentralized/devolved - responsible/responsibility - “public business” - market - corporatization/agencies/agencification, - competition/tendering/benchmarking - privatization - deregulation 	<ul style="list-style-type: none"> - equity/fair - participation/participative - integration/integrated - consolidation/consolidated - negotiation/consultation - civil society/non-profit/third sector
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Appendix 2–An example of coding (UK)

Text	Occurrence of reform discourses (table 2)	Co-occurrence of reform discourses/sedimentation (table 3)
<p><i>House of Commons Hansard Debates, 6th December 1999, p. 2)</i> (...) <i>“The Bill [2000 RAB Bill] delivers four major reforms. First, it introduces resource accounting and budgeting (NPM1) into the Government accounts and modernises the operation of other aspects of the Exchequer and Audit Acts. Secondly, it improves the way in which Parliament votes on and scrutinises public spending (PA1), with proper measurement of the full economic costs (NPM1) of Government activities, better treatment of capital spending and systematic reporting of the allocation of resources (NPM1) to objectives (NPM1)” (emphasis and codes added)</i></p>	<p>PA positive (PA1): 1 PA negative (PA2): 0 NPM positive (NPM1): 4 NPM negative (NPM2): 0 PG positive (PG1): 0 PG negative (PG2): 0</p>	<p>PA1/NPM1</p>